

A decorative graphic consisting of a thin yellow circle on the left side, partially overlapping a horizontal bar. The bar has a light olive green gradient and is flanked by large, stylized brackets: a black one on the left and a yellow one on the right.

# Case in Point

A powerpoint summary of  
types of cases as presented  
by Marc P. Cosentino (4<sup>th</sup> ed.)

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For the Caltech Consulting Club

# [The Case Commandments]

- 1. Listen to the Question
- 2. Take Notes
- 3. Summarize the question
- 4. Verify the objective(s)
- 5. Ask clarifying questions
- 6. Organize your answer
- 7. Hold that thought for “one alligator” – think before you speak
- 8. Manage your time
- 9. Work the numbers
- 10. Be coachable
- 11. Be creative and brainstorm
- 12. Exude enthusiasm and a positive attitude
- 13. Bring closure and summarize

# [Types of Case Questions]

- Brainteasers
- Back-of-the-Envelope (estimation questions)
- Business Case Questions (our focus in this ppt.)
  - Number cases
  - Business strategy
  - Operations

# [The Ivy Case System]

- 4 initial steps
- 12 popular case scenarios

# [ The First 4 steps ]

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- 1. Summarize the question
- 2. Verify the objective
- 3. Ask clarifying questions
- 4. Lay out your structure

# [The Twelve Case Scenarios]

- Strategy Case
  - Entering a new market
  - Industry Analysis
  - Mergers and Acquisitions
  - Developing a new product
  - Pricing Strategies
  - Growth Strategies
  - Starting a new business
  - Competitive response
- Operations Case
  - Increasing sales
  - Reducing costs
  - Improving the bottom line
  - Turnarounds

# [ Entering a New Market ]

- 1. Determine why? What's our objective/goal? Does it fit into our overall strategy?
- 2. Determine the state of the current and future market
- 3. Investigate the market to determine whether entering it would make good business sense
- 4. If we decide to enter, we need to figure out the best way to become a player (Cost-benefit analysis)
  - Start from scratch
  - Acquisition
  - Joint venture/strategic alliance

# [ Industry Analysis ]

- 1. Investigate the industry overall
  - Life cycle
  - Performance
  - Client's position w/in industry
  - Major players and market share
  - Industry changes
  - drivers
- 2. Suppliers & product availability
- 3. Future outlook
  - Mergers, acquisitions
  - Barriers to entry



# [ Mergers and Acquisitions ]

- 1. determine goals and objectives
- 2. How much are they paying
- 3. Due diligence (research the company and the industry)
- 4. exit strategies

# Developing a New Product

- 1. Think about the product
  - Special? Patented? Substitutions?
- 2. Think about market strategy
  - Replacing existing product? Expand sales or customer base?
  - Barriers to entering market
  - Major players
- 3. Think about customers
  - Who are they and how can we best reach them
- 4. Think about financing

# [ Pricing Strategies ]

- 1. Investigate the product
- 2. Choose a pricing strategy
  - Cost-based pricing
  - Price-based costing
  - Competitive analysis
- 3. Supply and demand

# [ Growth Strategies ]

- 1. Ask feeler questions. Growth could mean focusing on a certain product, division, or company overall. Determine direction of questioning.
- 2. Choose a growth strategy based on situation and explain why.
  - Increase distribution
  - Increase product line
  - Diversify
  - Etc.

# [ Starting a new Business ]

- 1. Investigate the market
- 2. Worth investing in?
  - Management
  - Market & Strategic Plan
  - Distribution Channels
  - Products
  - Customers
  - Finance

# [Competitive Response]

- 1. analyze competitors' actions
- 2. choose one of the following response actions:
  - Acquire the competitor
  - Merge with competitor
  - Copy competitor
  - Hire competitor's management
  - Increase our own profile with P.R. campaign

# [ Increasing Sales ]

- 1. Increasing sales doesn't always mean increasing profits. Find underlying reason to increase sales
- Four ways to increase sales:
  - Increase volume
  - Increase amount of each sale
  - Increase prices
  - Create seasonal balance

# [Reducing Costs]

- Type A:
  - 1. ask for breakdown of costs
  - 2. investigate any abnormalities
  - 3. benchmark competitors
  - 4. determine any labor-saving technologies that help reduce costs
- Type B:
  - Internal costs: union wages, suppliers, materials, economics of scale, etc.
  - External costs: economy, interest rates, etc.



# Increasing the bottom line: Profits

- $\text{Profits} = (\text{Revenues} - \text{Costs}) * \text{Volume}$
- Identify revenue streams
- Examine your costs
- Determine whether you want to pump up the volume

# [Turnarounds]

- 1. gather information
  - Why is it failing?
  - Industry analysis
  - Tell me about the company
- 2. Choose appropriate action
  - Learn as much about the business as possible
  - Review services, products, and finances
  - Secure sufficient funding so your plan has a chance
  - Review talent and temperament of employees, get rid of deadwood
  - Determine goals (short and long term)
  - Business plan
  - Visit clients, suppliers, distributors and reassure them
  - Prioritize goals and get some small success.

# [ Caltech Consulting Club ]

- Practice cases offered to members of the Caltech community
- <http://consulting.caltech.edu/>
- For general announcements, join the mailing list

[The End

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